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C O N F I D E N T I A L SECTION 01 OF 04 NICOSIA 000256

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DEPARTMENT FOR EUR/SE, IO/UNP

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SUBJECT: UN-BROKERED TALKS HIT SNAG; SPEED BUMP OR MAJOR COLLISION?

REF: NICOSIA 205

Classified By: Ambassador Ronald Schlicher, Reasons 1.4(b), (d)

11. (C) SUMMARY: Two week ago, there was cause for Cyprus Problem optimism. Hairline cracks were showing in hard-line President Tassos Papadopoulos's coalition, Brussels appeared to be tiring of Nicosia's maximalist position on Turkish Cypriot direct trade, and T/C leaders mostly were behaving, attempting to regain the moral high ground. Feeling pressured though not quite cornered, Papadopoulos made limited concessions, taking down the Ledra Street wall (Reftel), eliminating pre-conditions on the crossing point's opening, and apparently instructing negotiator Tasos Tzionis to adopt a more accommodating position in talks with Turkish Cypriot counterpart Rashid Pertev. UN sources March 16 claimed the representatives had agreed to "an arrangement" that would allow the committees and working groups envisaged in the "July 8 Process" finally to convene; at their next meeting (March 19), UN SRSG Michael Moller hoped to dot the last "i" and issue a formal announcement. That never happened. In their readouts March 20, G/C media claimed the T/C side had sidelined the talks by tabling a slew of Ankara-ordered demands, an account that our UN interlocutors in part confirmed.

12. (C) Moller believed a below-the-radar approach might have broken the impasse. Instead, however, the wily Papadopoulos issued a high-minded but clearly T/C-baiting statement late March 20, calling for an immediate commencement of the July 8 process and subsequent leaders' meetings. Predictably, Talat hit the roof, refuting Papadopoulos's claims on the "arrangement's" validity and canceling the follow-on Tzionis-Pertev meetings. UN officials calling on the T/C leader March 21 later described him as "shell-shocked and lost." Officially, the "TRNC Presidency" has announced that Talat is "reflecting" on the process, but there is no word when the communities might re-commence negotiations. In addition to the local dynamics, much of the T/C side of the story seems grounded in electoral machinations and civilian-military jostling in Ankara. END SUMMARY.

Even Limited Movement Causes Celebration

13. (C) Prior Embassy reporting has documented Papadopoulos's March "charm offensive," evinced best by the President's March 9 order to remove the wall at Ledra Street, a necessary step in establishing a Buffer Zone crossing there. Underpinning the tack change was both domestic and international dissatisfaction with RoC policies and behavior. At home, coalition mate AKEL was warning Papadopoulos not to assume that its support was iron-clad, and even a prominent

member of the President's own DIKO party was criticizing his handling of the CyProb. Meanwhile, Brussels-based officials were pressing the President to open Ledra soonest and engage the Turkish Cypriots in good-faith dialog under the July 8 Process framework. Other elements of Papadopoulos's "softening" included a retraction of certain pre-conditions on Ledra Street -- removal of the "TRNC national" symbols, primarily -- and an apparent instruction to Tzionis to craft an arrangement acceptable to Turkish Cypriots for the long-delayed start-up of the July 8 talks.

¶4. (C) Various Embassy sources reported a greater pace of activity in the Tzionis-Pertev meetings in early March, the sides horsetrading and exchanging non-papers at every setting. On March 5, the Greek Cypriots leaked their letter to Moller, in which they floated a framework which became the basis of the "arrangement." The G/C's "Proposal for the Immediate Initiation of the Implementation of the 8 July 2006 Process" ordered the communities to a) finalize the lists of technical committees and working groups to be established, and b) each propose one committee and one working group for immediate establishment. Taking advantage of the momentum created with the four bodies' creation, the Coordination Committee (Moller, Tzionis, and Pertev) would work to establish others as circumstances warranted.

¶5. (C) G/C media began to carry stories intimating that a July 8 Process deal looked imminent. In an above-the-fold article March 12, leading daily "Phileleftheros" claimed the technical committees "could get to work as early as tomorrow," since the latest Tzionis proposal "left no room for the 'Turks' to reject it, as it took into consideration T/C concerns." UNFICYP contacts appeared equally optimistic, with Moller informing the Ambassador that same day that he and the sides' representatives had reached agreement on how

NICOSIA 00000256 002 OF 004

to move forward. The G/Cs had shown noteworthy flexibility, Moller complimented. Pertev had only to secure the approval of Talat for the formal talks to commence.

¶6. (C) In person, Pertev displayed far less optimism. The March 5 G/C proposal was nothing new, the T/C negotiator informed Emboffs March 9, but only a re-hashing of earlier non-papers; he did not understand why it was garnering such attention. While committing to study the two-committee, two-group initiative, Pertev claimed the Turkish Cypriots could never accept it as-is. Although the Greek Cypriots had not mentioned property in the context of this particular proposal, their insistence that both the working group and technical committee agendas "be open to any issue raised by either side" was an open door for the G/Cs to introduce the show-stopping substantive issue of property into the technical committee arena. This tactic was evidence, Pertev felt, of their bad faith and of a desire not to see real progress on the July 8 track.

Meeting Outcome Disappoints

¶7. (U) No milestones emerged from the March 19 meeting. "Turkish Side Blocks Agreement for Start of Technical Talks" trumpeted "Phileleftheros" the following day. While Pertev had not rejected the G/C's latest offer outright, the paper continued, his insistence in avoiding any discussion of property amounted to a de facto "no." Refusal to tackle the land issue betrayed the spirit of the July 8 Process, since, according to UN Undersecretary Ibrahim Gambari's formulation, "all matters were open to discussion." Opposition daily "Politis" rued that the negotiations would have to re-commence completely, since the expectation that the sides were close to agreement had proven false.

¶8. (C) Ever the optimist, Moller privately refuted accounts that the talks had collapsed. Pertev had, however, introduced several "pathetic" and "dilatatory" conditions to

initiating the committees' work. The principal show-stopper was a new T/C demand that the sides agree, in writing, that each had the right NOT to discuss issues raised by the other.

Other requests included changing the names of various committees and working groups, even though Talat earlier had ok'd the nomenclature. Pertev had "seemed ashamed" to be bringing up the new demands, Moller explained. (Note: We have learned that the T/C backpedaling came on the heels of a series of visits by high-level Turkish delegations. AKP Vice President Nihat Ergun headed one on March 18, ostensibly to attend the CTP,s party congress. Meanwhile, there are reports that Turkish MFA U/S Apakan, DU/S Berk, and DG Ahmet Dibek made an unpublicized visit to the island at the same time, although the Turkish Cypriots have -- even in private -- been uncharacteristically reticent to provide a read-out, or even to confirm it occurred. End Note.)

And the Blame Game Is On

¶9. (SBU) Hopes the two sides might break the deadlock discreetly disappeared late March 20. In a written statement, Papadopoulos called on T/C leader Talat to "jointly and immediately start implementing the 8 July Agreement." Heavy with passive voice -- perhaps to highlight the achievements, but more likely to hide the actors -- the president assured that great problems had been addressed, differences bridged, progress made, agendas coordinated, and procedures for putting the groups and committees to work finalized. Papadopoulos invited Talat to meet a week after the bodies had convened and started their work. "I sincerely believe...that the 8 July 8 process can soon produce results and create the necessary dynamic for the solution of the Cyprus Problem," the President ended.

¶10. (U) The fireworks began shortly afterward. Talat's spokesman Hassan Ercakica delayed his weekly briefing one hour, announcing that his "president" would address media directly. Flanked by Pertev and Ercakica, a furious Talat, despite the fact that he had also selectively leaked on many occasions, blasted the G/Cs for revealing the contents of the "arrangement" despite the sides' agreed media blackout. There was no comprehensive agreement, the T/C leader countered, but only "some overlapping views and certain conformities." Papadopoulos sought only to burnish his image with his statement, Talat believed. In the same way the demolition of the Ledra Street wall had coincided with

NICOSIA 00000256 003 OF 004

Tassos' trip to Brussels for a Council meeting, this latest PR effort was occurring just as Tzionis was in Belgium to discuss the EU's Direct Trade Regulation. For eight months Papadopoulos had endeavored to prevent movement on the July 8 Agreement; this recent about-face was all about politics, Talat argued.

Turkish Side At Fault, Witnesses Say

¶11. (C) In subsequent readouts, UNFICYP contacts provided additional detail on the March 19 T/C turnabout. Pertev had demanded not only an opt-out clause on discussing property, DCM Wlodek Cibor told us March 20, but also to rename various working groups and technical committees. More than semantics were at play; Cibor understood why Tzionis would (and did) oppose changing "Defense" to "Security and Guarantees," since the updated name almost presupposed a future role for Turkish military "guarantor" forces on the island. Pertev had traveled to Turkey the week before, purportedly on personal business. Had he received updated marching orders there? Cibor questioned. That was certainly the Greek side's perception. Off the record, the UN diplomat thought Talat had "snapped" at his rebuttal press conference. Moller intended to call on the T/C leader that day, to determine

what he had meant with his "enough is enough" comments.

¶12. (C) In their March 21 meeting the UN chief had found Talat shell-shocked and still seething over Papadopoulos's statement, revealed UNFICYP PolOff Tim Alchin at a diplomatic corps dinner March 21. While the "TRNC President" did not want to put the representatives' talks on long-term hold, the T/C side was seeking time to formulate its next steps. Talat had canceled the Pertev and Tzionis's March 22 follow-up, Alchin noted, and it was unlikely the sides would reconvene before March 26.

The Latest/Greatest

¶13. (C) Attempting to ensure this latest interruption is brief, the Embassy, in coordination with like-minded missions here, is urging Turkish Cypriots to re-engage on the July 8 Process. In a March 23 pow-wow, the Ambassador, Moller, and the German and British chiefs of mission agreed that Talat's recent moves put at risk his credibility with both the international community and his own electoral base. The UN chief added that higher-ups in the Secretariat "would not and should not look kindly on Talat blithely discarding a process that Gambari had created in July and then salvaged in November." The Ambassador will join fellow P-5 representatives March 26 to debate the usefulness of a joint call on Talat, which might provide him limited cover from hard-liners within the TGS, local Turkish Forces, and the opposition UBP and DP. In public commentary, we will emphasize that both sides must put aside their pre-process bickering and get to the table.

Comment

¶14. (C) In this latest installment of the CyProb drama, Papadopoulos again demonstrated his peerless command of tactics. Just two weeks ago he seemed on the defensive, with coalition partners sniping and even the normally suck-up media questioning his leadership. Yet with a few (un-bold) strokes, he has quieted his opposition and the press, and is again striding the high ground. We surmise the President truly does want to see the committees up and running soon, if only to quiet his pro-solution G/C detractors. We are certain, however, they will make only as much progress as Papadopoulos deems politically beneficial.

¶15. (C) Mirroring the President's craftiness and poise, unfortunately, was Talat's predictability and prickliness; an ambush he should have avoided instead beckoned him in. Were we to write his playbook, he would replace tit-for-tat attacks on his G/C counterpart with full engagement under the July 8 framework -- there, he might smoke out Papadopoulos's real intentions as the negotiations play out. In all fairness, however, Talat faces pressures the G/C leader does not. While we cannot say for sure what message last week's mainland delegations brought, it seems likely they gave a go-slow signal to the Turkish Cypriots; one of Talat's close political allies confirmed to us that the "president" is

NICOSIA 00000256 004 OF 004

nervous about making any moves given the "delicate political" situation on the mainland. As our Embassy Ankara colleagues have noted, the Turkish Cypriot leader increasingly appears a proxy in a broader battle between the AK Party and the TGS, one that's bound to escalate as Turkish elections near. His room to maneuver, to avoid future Papadopoulos traps, thus seems scant.

¶16. (C) As we judge it, the best way to protect our multiple interests -- preserving Talat and his agenda, supporting the UN process, removing Cyprus as an irritant in international fora, and managing impediments to Turkey's EU accession

process -- is for the USG actively to advocate a kick-off of the July 8 Process, which can provide a labor-intensive means of keeping the issues on the back burner during the looming electoral exercises in Turkey and Cyprus.

SCHLICHER